

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM APRIL 2, 2014
OPEN SESSION

MINUTES OF APRIL 2, 2014 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN ERIC SKRMETTA, VICE CHAIR CLYDE HOLLOWAY, COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE, SCOTT ANGELLE and EXECUTIVE SECRETARY EVE KAHAO GONZALEZ.

Open Session of April 2, 2014, convening at 9:39 A.M. and adjourning at 1:08 P.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Eve Kahao Gonzalez.

Ex. 1	<p>Announcements.</p> <p>Executive Counsel Brandon Frey announced that the May 7, 2014 B & E will be held at the Bossier City Municipal Complex at 9:00 am.</p> <p>Chairman Skrmetta made a few announcements: Millie Adams with Entergy will be retiring. Commissioner commended her and thanked her for her service. Jeff Valliere will be leaving the commission and moving to Texas and was also thanked for his service. Commissioner went on to welcome Andre Laborde back from his tour in Afghanistan.</p>
Ex. 2	<p>R-33105 - Louisiana Public Service Commission, ex parte. In re: Consumer Price Index (CPI) biennial rate review as provided for in General Order March 26, 2010 with regards to non-consensual towing and recovery rates.</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioners Boissiere and Angelle concurring and Commissioner Campbell abstaining due to possible conflict, the Commission voted to adopt Staff Recommendation that all rates contained in the current “<i>Amended</i>” <i>Schedule of Prescribed Rates and Requirements for Towing & Recovery</i>” subject to the CPI <u>review be increased by 1.5%</u> and adjusted to the nearest \$.50.</p>
Ex. 3	<p>R-32702 - Rulemaking for Louisiana Public Service Commission, ex parte. In re: Study of and possible implementation of rules regarding the security of jurisdictional utility generation, transmission and distribution assets and the cyber security of utility computer systems.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to hire J. Kennedy and Associates to assist the Commission for a budget of \$119,250 in fees, \$6,600 in expenses, for a total not to exceed budget of \$125,500.</p>
Ex. 4	<p>X-33192 In re: Examination of the Comprehensive Costs and Benefits of Distributed Generation and Net Metering.</p> <p>In re: Discussion and possible vote to hire outside consultant.</p> <p>On motion of Commissioner Holloway, seconded by Chairman Skrmetta, with Commissioner Angelle concurring, and Commissioner Campbell and Commissioner Boissiere opposing, the Commission voted to hear the item.</p> <p>Commissioner Angelle made a motion to reject all bidders and re-advertise subject to the August 4, 2004 General Order. Chairman Skrmetta requested an amendment to the motion stating that the bids would not be posted on the Commission’s website. Chairman Skrmetta later withdrew this request. Commissioner Angelle’s motion was then seconded by Commissioner Boissiere, with Chairman Skrmetta and Commissioner Campbell concurring and Commissioner Holloway opposing, the Commission voted to reject all bidders and re-advertise subject to the August 4, 2004 general order.</p>

Ex. 5	<p>S-33049 - Middlefork Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system).</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to adopt Staff Recommendation.</p>
Ex. 6	<p>S-33099 - Weston Water System, Inc., ex parte. In re: Request for a Letter of Non Opposition to finance its drinking water infrastructure improvement project through the Office of Public Health's Drinking Water Revolving Loan Fund (DWRLF) program in the amount of \$405,000.</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to adopt Staff Recommendation based on the following terms and conditions:</p> <ol style="list-style-type: none"> 1. Weston shall file a copy of the finalized loan agreement signed by both Weston and the Office of Public Health referencing the above mentioned terms within 30 days of closing; 2. Weston will not apply in any current or future proceedings to the LPSC for an increase in its rates and charges as a result of the impact that this borrowing may have on the company's Debt Service Coverage Ratio, Return on rate Base, or Operations; and 3. The Commission reserves its right to review the ratemaking treatment of this loan proposal in any future rate proceeding.
Ex. 7	<p>S-33123 - Utilities, Inc. of Louisiana and Alexagrace, LLC, ex parte. In re: Request for a letter of non-opposition to the proposed asset transfer of system assets of Alexagrace, LLC to Utilities, Inc. of Louisiana in accordance with an Asset Purchase Agreement.</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to adopt Staff Recommendation subject to the following conditions:</p> <ol style="list-style-type: none"> 1. Should the purchase agreement provided to Staff be modified in any way, the newly revised agreement between UIL and Alexagrace shall be filed with the Commission no later than 15 days after such modification. 2. UIL shall record in its accounting records the value of Alexagrace's assets at the net book value recorded in Alexagrace's financial statements at the time the transfer is completed. 3. Within 30 days of closing, UIL shall file a copy of all agreements and prepared accounting journal entries used to record the transfer of the assets of Alexagrace's assets under Docket No. S-33123. 4. Within 30 days of the transfer, UIL shall submit a revised tariff to the Utilities Division of the Commission reflecting the change in ownership of Alexagrace's assets. 5. UIL will not apply in any current or future proceedings to the Commission for an increase in its rates and charges as a result of the impact that the acquisition of Alexagrace's assets may have on the company's Debt Service Coverage Ratio, Return on Rate Base, or Operations.

Ex. 8	<p>S-33153 - Cameron Telephone Company, LLC and Elizabeth Telephone Company, LLC, ex parte. In re: Request for waiver of Price Protection Plan provisions in order to meet the FCC Rate Benchmark National Average Price Floor for Residential Voice Services.</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to adopt Staff Recommendation subject to the following conditions:</p> <ol style="list-style-type: none"> 1. The order shall be granted to each Company as a waiver of the 10% price cap on Basic Services Rates included at Section G.5 of each Company's respective price plans to the extent necessary to meet the FCC Rate Benchmark on an annual basis; and 2. Within 30 days of the adjustment to price plans, if the adjustment if necessary, the Company's shall submit a revised tariff to the Utilities Division of the Commission reflecting the change in the basic service rates.
Ex. 9	<p>U-32740 - Louisiana Public Service Commission versus City Tel-Coin Company, Inc. In re: Alleged violations of Louisiana Public Service Commission General Order, dated September 19, 1998 and Order R-31891.</p> <p>In re: Discussion and possible vote on City Tel-Coin Company, Inc. motion for immediate review of Interlocutory Ruling, for Rule 57 consideration, and for a stay.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>PULLED</p>
Ex. 10	<p>LPSC, ex parte. In re: Establishment of Commission Approved and Supervised Energy Efficiency Programs.</p> <p>In re: Discussion and possible vote to approve resolution regarding NERL pilot program.</p> <p>(Exhibit 2 on March 12, 2014 B & E Agenda)</p> <p>PASSED</p>
Ex. 11	<ol style="list-style-type: none"> 1) Reports 2) Resolutions 3) Discussions 4) ERSC/OMS business 5) Directives
Ex. 12	<p>Discussion on existing Commission procedure regarding request for reconsideration and possible vote to modify Commission Rules of Practice and Procedure.</p> <p>At the request of Commissioner Campbell.</p> <p>Commissioner Campbell would like to abide by Mason's Rules of Order. Chairman Skrmetta directed staff to get printed copies of the rules provided to each Commissioner for consideration.</p>
Ex. 13	<p>S-33018 - Utilities Inc. of Louisiana and Louisiana Land and Water Company, Inc., ex parte. In re: Request for a Letter of Non Opposition to the proposed asset transfer of system assets of Louisiana Land and Water Company, Inc. to UIL Co. in Accordance with Assets Purchase Agreement.</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>At the Request of Commissioner Campbell.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to adopt Staff Recommendation.</p>

<p>Ex. 14</p>	<p>U-32740 - Louisiana Public Service Commission versus City Tele-Coin Company, Inc. In re: Alleged violations of Louisiana Public Service Commission General Order, dated September 19, 1998 and Order R-31891.</p> <p>U-32741 - Louisiana Public Service Commission versus Securus Technologies, Inc. In re: Alleged violations of Louisiana Public Service Commission General Order, dated September 19, 1998 and Order R-31891.</p> <p>In re: Discussion and possible vote to issue a RFP to hire a technical consultant to audit the books of City Tele-Coin and Securus Technologies.</p> <p>At the request of Commissioner Campbell.</p> <p>Commissioner Campbell made a motion to have the books of all prison telephone companies audited. The motion was seconded by Commissioner Boissiere and opposed by Chairman Skrmetta, Commissioner Holloway and Commissioner Angelle; therefore, the motion failed.</p>
<p>Ex. 15</p>	<p>U-32275 - Dixie Electric Membership Corporation ("DEMCO"), ex parte. In re: Petition Requesting Certification of Power Supply and Service Agreement, Waiver of Market Based Mechanism RFP Process, Implementation of Rate Moderation Plan, and Expedited Relief for Dixie Electric Membership Corporation ("DEMCO").</p> <p>In re: Discussion and possible vote to modify Commission Order No. U-32275, Corrected (December 20, 2012) to adjust timing of refunds pursuant to rate moderation plan to coincide with assessments of Power Cost Adjustment to customers' bills.</p> <p>At the request of Chairman Skrmetta.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to authorize DEMCO to defer implementation of the Rate Moderation Plan credit (refund) to customer accounts until June 1, 2014, and that Order No. U-32275 (Corrected) (December 20, 2012) be modified accordingly, <i>subject to the condition</i> that any additional collections realized between April 1, 2014 and May 31, 2014 be evenly allocated to customers over the 12 month refund period, and that customers also be refunded the full amount of their credit balance (including all collections and interest earned, as originally outlined in the Order).</p>
<p>Ex. 16</p>	<p>U-32740 - Louisiana Public Service Commission versus City Tele-Coin Company, Inc. In re: Alleged violations of Louisiana Public Service Commission General Order, dated September 19, 1998 and Order R-31891.</p> <p>In re: Discussion and possible vote on proposed settlement agreement pursuant to Rule 57. Possible executive session pursuant to La. R.S. 42:17 to discuss litigation and settlement strategy.</p> <p>At the request of Chairman Skrmetta.</p> <p>Chairman Skrmetta made a motion to enter executive session, which was seconded by Commissioner Boissiere and opposed by Commissioners Holloway, Campbell and Angelle; therefore, the motion failed.</p> <p>On motion of Commissioner Boissiere, seconded Chairman Skrmetta, with Commissioners Campbell and Angelle concurring and Commissioner Holloway opposing, the Commission voted to pull the item from the agenda.</p>
<p>Ex. 17</p>	<p>Louisiana Public Service Commission, et al. v. Louisiana State Legislature, Docket No. 592,231, Section 26, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana.</p> <p>In re: Possible executive session pursuant to La. R.S. 42:17 to discuss litigation strategy.</p> <p>At the request of Chairman Skrmetta.</p> <p>On motion of Chairman Skrmetta, seconded by Commissioner Angelle, and unanimously adopted, the Commission voted to enter executive session.</p>

	On motion of Chairman Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to exit executive session.
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On motion of Chairman Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to adjourn.

MEETING ADJOURNED

The next Business and Executive Session will be held Wednesday May 7, 2014 at 9:00 a.m. in Bossier City, Louisiana at the Bossier City Municipal Complex.